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BEFORE THE ARIZONA CORPORATION COMMISSION

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MARC SPITZER, Chairman
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SEP 17 2004

AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION OF
BEAVER DAM WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03067A-04-0445

IN THE MATTER OF THE APPLICATION OF
BEAVER DAM WATER COMPANY, INC. FOR
APPROVAL OF LONG-TERM FINANCING.

DOCKET NO. W-03067A-04-0444

IN THE MATTER OF THE APPLICATION FOR
APPROVAL OF THE SALE OF ASSETS AND
TRANSFER OF CERTIFICATE OF
CONVENIENCE AND NECESSITY OF
LITTLEFIELD WATER COMPANY TO BEAVER
DAM WATER COMPANY.

DOCKET NO. W-03067A-04-0652

DOCKET NO. W-02298A-04-0652

PROCEDURAL ORDER

BY THE COMMISSION:

On June 15, 2004, Beaver Dam Water Company ("Beaver Dam") filed with the Arizona Corporation Commission ("Commission") the above-captioned application for an extension of its Certificate of Convenience and Necessity ("Certificate") to provide water service in Mohave County, Arizona.

Also on June 15, 2004, Beaver Dam filed the above-captioned financing application.

The Certificate extension application stated that its purpose is to "eliminate the Littlefield Water Company by constructing a water transmission line. . ." and included a copy of a document titled "Transfer of Assets and Purchase Agreement" between Littlefield Water Company ("Littlefield") and Beaver Dam, and copies of two line extension requests. However, no application by Littlefield for authority to transfer its assets or its Certificate to Beaver Dam was on file with the Commission.

On July 15, 2004, the Commission's Utilities Division Staff ("Staff") filed a letter of sufficiency in the Certificate extension application docket.

1 On July 21, 2004, a Procedural Order was issued setting a procedural conference for
2 discussion of the scope of the application. That Procedural Order suspended the timeframe, as set
3 forth in A.A.C. R14-2-411(C), for processing the Certificate extension application pending the
4 issuance of a Procedural Order clarifying the scope of the hearing on the application.

5 A procedural conference was held as scheduled on August 11, 2004. Beaver Dam, Littlefield
6 and Staff appeared and discussed the scope of the Certificate extension application. At the
7 procedural conference, Beaver Dam stated that it would file an amendment to the Certificate
8 extension application, that the filing might include a request that the amended application be
9 consolidated with its pending financing application, and that it might jointly file, with Littlefield, an
10 application for approval of the transfer of Littlefield's assets and Certificate to Beaver Dam.

11 On September 9, 2004, Beaver Dam filed an amendment to its June 15, 2004 Certificate
12 extension application. The September 9, 2004 amendment included a request for additional territory
13 and a request to consolidate the Certificate extension application with Beaver Dam's pending
14 financing application.

15 Also on September 9, Beaver Dam and Littlefield filed the above-captioned application for
16 approval of the sale of Littlefield's assets and transfer of Littlefield's Certificate to Beaver Dam.

17 On September 16, 2004, Staff filed a response to Beaver Dam's and Littlefield's September 9,
18 2004 filings. Staff stated that it believes all the above-captioned applications are sufficient, and that
19 they should be consolidated.

20 The above-captioned applications appear to involve common questions of fact and law that
21 can best be addressed in a consolidated proceeding, and should therefore be consolidated.

22 Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern
23 the preparation and conduct of this proceeding.

24 IT IS THEREFORE ORDERED that the above-captioned application for the extension of
25 Beaver Dam Water Company's Certificate of Convenience and Necessity, as amended by its
26 September 9, 2004 filing, and the above-captioned application for the sale of assets and transfer of
27 Littlefield Water Company's Certificate of Convenience and Necessity to Beaver Dam Water
28 Company are hereby deemed sufficient pursuant to A.A.C. R14-2-411(C).

1 IT IS FURTHER ORDERED that all the above-captioned matters are hereby consolidated for
2 purposes of hearing.

3 IT IS FURTHER ORDERED that a hearing on the consolidated matters shall commence on
4 **December 16, 2004 at 1:30 p.m.**, or as soon thereafter as is practical, at the Commission's offices,
5 1200 West Washington Street, Phoenix, Arizona 85007.

6 IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
7 except that all motions to intervene must be filed on or before **November 19, 2004**.

8 IT IS FURTHER ORDERED that objections to any motions to intervene must be filed on or
9 before **November 30, 2004**.

10 IT IS FURTHER ORDERED that Beaver Dam Water Company and Littlefield Water
11 Company shall provide public notice of the hearing in this matter, in the following form and style:

12 **PUBLIC NOTICE OF HEARING ON THE JOINT APPLICATION FOR APPROVAL OF**
13 **THE SALE OF ASSETS AND TRANSFER OF CERTIFICATE OF CONVENIENCE AND**
14 **NECESSITY OF LITTLEFIELD WATER COMPANY TO BEAVER DAM WATER**
15 **COMPANY; FOR AN ADDITIONAL EXTENSION OF BEAVER DAM WATER**
16 **COMPANY'S CERTIFICATE OF CONVENIENCE AND NECESSITY; AND FOR**
17 **RELATED FINANCING APPROVALS FOR BEAVER DAM WATER COMPANY**
18 **(Docket No. W-03067A-04-0445 et al.)**

19 On June 15, 2004, Beaver Dam Water Company, Inc. ("Beaver Dam") filed an
20 application with the Arizona Corporation Commission ("Commission") for an extension
21 of its Certificate of Convenience and Necessity ("CC&N") to provide water service to an
22 area in Mohave County, and also filed an application for approval of long-term financing.
23 On September 9, 2004, Beaver Dam amended its CC&N extension application to include
24 additional territory. Also on September 9, 2004, Beaver Dam and Littlefield Water
25 Company ("Littlefield") filed a joint application with the Commission requesting
26 approval of the sale of Littlefield's assets and transfer of Littlefield's CC&N to Beaver
27 Dam. If the above-described consolidated applications are granted, Littlefield will no
28 longer provide service in its certificated territory, but Beaver Dam would be the exclusive
public provider of water in Littlefield's territory as well as in the proposed extension
area, and will be required by the Commission to provide service to all the affected areas
under rates and charges and terms and conditions established by the Commission.

The applications are available for inspection during regular business hours at the offices
of the Commission in Phoenix, at 1200 West Washington Street, Phoenix, Arizona, and
at the offices of Beaver Dam, 3333 E. Clark Gable Dr., Beaver Dam, Arizona. The
recommendations of the Commission's Utilities Division Staff on the consolidated
applications will also be available at those locations after November 30, 2004.

The Commission will hold a hearing on this matter beginning **December 16, 2004 at
1:30 p.m.**, at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.
Public comment will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances,
interested parties may intervene. Intervention shall be permitted to any person entitled by

law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission, which motion should be sent to the companies or their counsel and to all parties of record, and which, at the minimum, shall contain the following:

1. The name, address, and telephone number of the proposed intervenor and of any party upon whom service of documents is to be made if different than the intervenor.
2. A short statement of the proposed intervenor's interest in the proceeding (e.g., a customer of the companies, a shareholder of the companies, etc.).
3. A statement certifying that a copy of the motion to intervene has been mailed to the companies or their counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before November 19, 2004. The granting of intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other witnesses. Failure to intervene will not preclude any potential customer from appearing at the hearing and making a statement on such person's own behalf. You will not, however, receive any further notice of the proceeding unless requested by you.

If you have any questions about these applications, wish to file written comments, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007, visit the Arizona Corporation Commission's webpage at <http://www.cc.state.az.us/utility/forms/index.htm>, or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Yvonne McFarlin, ADA Coordinator, voice phone number 602/542-3931, E-mail YMcFarlin@admin.cc.state.az.us. Requests should be made as early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that Beaver Dam Water Company and Littlefield Water Company shall cause a copy of the above notice to be published in a newspaper of general circulation in Littlefield Water Company's certificated area and in the additional extension areas requested by Beaver Dam Water Company by **October 29, 2004**.

IT IS FURTHER ORDERED that Beaver Dam Water Company and Littlefield Water Company shall mail to each property owner in Littlefield Water Company's existing service territory a copy of the above notice by **October 29, 2004**.

IT IS FURTHER ORDERED that Beaver Dam Water Company shall mail to each property owner in the requested extension areas that are not located in Littlefield Water Company's certificated area a copy of the above notice by **October 29, 2004**.

1 IT IS FURTHER ORDERED that Beaver Dam Water Company and Littlefield Water
2 Company shall file with the Commission certification of the above-ordered publication and mailing
3 as soon as practicable after the publication and mailing have been completed but not later than
4 **November 5, 2004.**

5 IT IS FURTHER ORDERED that notice shall be deemed complete upon publication and
6 mailing of same, notwithstanding the failure of an individual to read or receive the notice.

7 IT IS FURTHER ORDERED that Staff shall file a Staff Report on the consolidated
8 applications by **November 30, 2004.**

9 IT IS FURTHER ORDERED that Beaver Dam Water Company and Littlefield Water
10 Company shall file any objections to the Staff Report by **December 10, 2004.**

11 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
12 Communications) applies to this proceeding as the matter is now set for public hearing.

13 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended
14 pursuant to Rule 6(a) or (e) of the Rules of Civil Procedure.

15 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
16 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

17 DATED this 17th day of September, 2004.

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TEENA WOLFE
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered
this 17th day of September, 2004 to:

Bob Frisby, President
Beaver Dam Water Company
P.O. Box 550
Beaver Dam, Arizona 86432

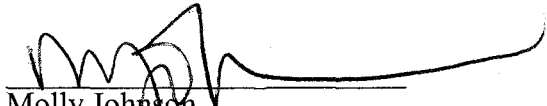
Melvin Peterson, Director
Littlefield Water Company
P.O. Box 140
Littlefield, Arizona 86432

1 Christopher Kempley, Chief Counsel
Legal Division
2 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
3 Phoenix, Arizona 85007

4 Ernest G. Johnson, Director
Utilities Division
5 ARIZONA CORPORATION COMMISSION
1200 West Washington Street
6 Phoenix, Arizona 85007

7 ARIZONA REPORTING SERVICE, INC.
2627 N. Third Street, Suite Three
8 Phoenix, Arizona 85004-1104

9 By:

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Molly Johnson
11 Secretary to Teena Wolfe
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